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TOD'S S.p.A.: strong growth of revenues and margins also in the first quarter 2002

The Board of Directors of Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and holding of the homonymous luxury goods group, operating in luxury shoes, leather goods and apparel with the Tod's, Hogan and Fay brands, has approved today the Consolidated First Quarter Results for the year 2002 for the Tod's Group.

In examining the results for the period, it must be taken into consideration that streams of costs and revenues are not aligned, due to the intrinsic nature of the business and the strong expansion in the retail network; therefore, annualizing first quarter results would not be meaningful.

In the first quarter 2002, consolidated sales grew by 16.8%, compared to the first quarter 2001, up to Euro 105.2 million; FX effect was immaterial, also due to the Group limited exposure towards not Euro countries.

In the first quarter 2002, consolidated EBITDA grew to Euro 21,6 million, with a 20.5% margin on sales, posting a 28.5% growth against the first quarter 2001; the almost two percentage points improvement of the margin was due to a stronger and stronger leverage on operating and distribution synergies.

Consolidated EBIT reached Euro 14.5 million, posting a 31.4% growth, mostly due to a smaller impact, in percentage on sales, of trademarks amortisation (steady while sales increased).

Profit before taxes grew by 5%, up to Euro 14.4 million; it must be considered the lower contribution from financial operations (net financial income was Euro 0.5 million in the first quarter 2002 against Euro 2.7 million in the first quarter 2001, mostly stemming from the IPO proceeds).

Consolidated net income, finally, reached Euro 8.3 million, net of Euro 6.2 million income taxes; a comparison with the previous year is not meaningful, since in the first quarter 2001 income taxes were not calculated.

During the first quarter 2002, total net investments amounted to Euro 9.0 million, of which Euro 5.1 million in intangible fixed assets, mainly related to the development of the distribution network, and Euro 3.9 million in tangible fixed assets. The latter include Euro 2.5 million of expenses for the building of the new production plant and other investments incurred for the refurbishment and replacement of logistic and production structures. All the investments were financed through the cash flows generated by the Group.

Net financial position of the Group as of March 31st, 2002 was positive and equal to Euro 43.3 million, registering a small decrease (Euro 8.1 million) versus December 31st, 2001.

Breakdown of consolidated sales by brand:

<i>Euro mn</i>	1Q 2002	1Q 2001	% change	FY 2001
Tod's	57.7	48.9	+18.0%	196.5
Hogan	35.1	31.6	+11.0%	81.3
Fay	12.3	9.4	+29.6%	40.5
other sales	0.1	0.1	n.s.	0.2
TOTAL	105.2	90.0	+16.8%	318.5

All the brands contributed to the consolidated sales growth: in outright terms, revenues of Tod's products registered the biggest increase, with a 18% growth against the first quarter 2001, thus representing 54.9% of total turnover. As growth rates, the highest was reported by Fay products, which registered a 29.6% increase, also benefiting by lower volumes, and reached a 11.6% weight on consolidated revenues. Hogan products reported a significant growth and represented 33.4% of total turnover as of March 31st, 2002.

Breakdown of consolidated sales by product:

<i>Euro mn</i>	1Q 2002	1Q 2001	% change	FY 2001
shoes	77.9	71.5	+8.9%	233.6
leather goods	15.0	9.1	+64.3%	44.4
apparel	12.2	9.4	+29.8%	40.5
other sales	0.1	0.0	n.s.	-
TOTAL	105.2	90.0	+16.8%	318.5

Also in this quarter was going on the impressive growth of revenues of leather goods, which posted a 64.3% increase, representing 14.2% of consolidated revenues as of March 31st, 2002. In outright terms, quite positive was the contribution of revenues of shoes, which continued to represent the most important product category, with a 74.0% weight on consolidated sales. Also the growth of sales of apparel, equal to 29.8%, was quite satisfactory.

Breakdown of consolidated sales by region:

<i>Euro mn</i>	1Q 2002	1Q 2001	% change	FY 2001
Italy	51.9	42.9	+20.8%	150.9
Europe (excl. Italy)	32.6	29.1	+12.4%	91.8
North America	14.1	13.2	+6.4%	57.6
Asia and rest of world	6.6	4.8	+35.3%	18.2
TOTAL	105.2	90.0	+16.8%	318.5

Sales increased in all the markets; the largest contribution to Group revenues came from Italy, which posted a 20.8% growth, representing the principal market for the Group with the 49.3% of total turnover. It must be underlined the strong increase registered in the Asian market - mostly referable to Japan -, whose weight on consolidated sales reached 6.2%. Also

the European (excluding Italy) and North American markets registered quite satisfactory results, and as of March 31st, 2002 represented respectively 31.0% and 13.4% of consolidated sales.

Breakdown of consolidated sales by distribution channel:

<i>Euro mn</i>	1Q 2002	1Q 2001	% change	FY 2001
DOS	26.2	21.3	+22.8%	112.0
Independent	79.0	68.7	+14.9%	206.5
TOTAL	105.2	90.0	+16.8%	318.5

Quite outstanding was the 22.8% growth of sales through DOS, which represented 24.9% of consolidated sales. On a like-for-like basis, the growth of DOS revenues was 11.1% (average on a world wide basis).

The remaining 75.1% of consolidated turnover was realized through franchised and independent stores, registering a total 14.9% growth against the first quarter 2001.

In the first quarter 2002, the Group opened 5 new DOS. It must be noted that new openings include also two Dev stores, which are the first example of a new store concept, where all the Group brands are sold, together with some complementary, but not competing products of other brands. The Dev stores are conceived for medium size cities, where single brand stores are neither appropriate as distribution channel, nor convenient from an economic point of view and whose alternative is represented by independent multibrand stores.

Diego Della Valle, Chairman and Managing Director of the Tod's SpA, commented as follows: "I continue to be quite satisfied with the results achieved by our Group: in spite of the cautious policy we have decided, after September 11th, 2001, to adopt for the current year, within a still tough economic environment, where consumer spending is still weak, our Group achieved quite positive results also in the first quarter 2002. Moreover, in these last days we are perceiving a further unjustified and unexpected slowdown in consumptions, of which we are now not able to fully evaluate the real impact on our sales, even if our product intrinsic features and the strength of the growth in progress lead us to believe that, with due reservations, also the current year will post a further increase both in revenues and results against the previous year."

ATTACHMENTS:

Key figures of Consolidated Reclassified Profit & Loss account of Tod's Group						
<i>in EUR 000's</i>	1Q 2002	%	1Q 2001	%	FY 2001	%
Sales revenues	105,160	100.0	90,067	100.0	318,501	100.0
EBITDA	21,602	20.5	16,809	18.7	80,591	25.3
EBIT	14,496	13.8	11,033	12.2	56,134	17.6
Profit before taxes	14,392	13.7	13,706	15.2	59,543	18.7
Net income before minority interests	8,198	7.8	n.a. (*)	n.a.	37,309	11.7
Net income	8,337	7.9	n.a. (*)	n.a.	36,797	11.6

(*) For 1Q 2001 income taxes were not calculated.

Key figures of Consolidated Balance Sheet of Tod's Group					
<i>in EUR 000's</i>	March 31 st , 2002		March 31 st , 2001		December 31 st , 2001
Net working capital	95,523		69,605		75,386
Net tangible fixed assets	25,086		20,733		22,713
Net intangible fixed assets	218,319		213,475		218,606
Net financial position (positive)	(43,308)		(37,635)		(51,378)
Shareholders' equity (net of minorities)	377,392		348,995		368,856